## SECRET

CONTACT REPORT

later @SYDOW 1000-1045, 14 April 1965 Compound

J with OKUTZBACH and

T (SCHOEBEL, Hans) T 1&F 3 w/@KUTZBACH PEPPERMILL Case and later @SYDOW 14 April 1965

KUTZBACH had asked for the meeting, which was held in (KASTELL's office since the latter was away, and he proceeded to outline in detail the facts in the Peppermill case. Whether this was due to a decision of KASTELL's or whether KUTZBACH is still not aware that up to now the other individuals in the CE section have attempted to hide the facts from us is not clear. He told us that there was to be another meeting in Denmark on 24 April in the Bellevue Hotel and that they would like to use our peppermill again. He said that in Denmark the use of peppermills is common but they are usually kept to one side and only put on the table at the time the food is served. He asked whether it might be possible for us to provide some other sort of device, such as an ashtray or vase, that could house a transmitter and that could remain on the table throughout the entire time. He asked that we provide at least two transmitters in addition to the peppermill in any event and that we let him know the exact frequencies. He admitted that the Danes would be the ones to use our devices. The restaurant to be used is quite large and they cannot be sure of the exact table so want as many devices as possible. At the last meeting the Danes mounted a transmitter under the table. According to KUTZBACH this is no problem because all the waiters cooperate with the police. We said we would see what could be done.

KUTZBACH then explained that they have decided to terminate the case and asked that we not mention this to anyone else in CATIDE since they didn't know it yet. There is an 80% chance that the Danes will pick up LENSKY and SCHOEBEL at the next meeting and both will be shipped out persona non grata, for espionage with attendant publicity. SCHOEBEL will probably sit in jail for two or three days and then be handed over to German pelice authorities at Puttgarden. There is 20% chance the Danes want to forego publicity and quietly PNG LENSKY. If the Danes decide on second alternative CATIDE is going to terminate SCHOEBEL on basis LENSKY's obvious compromise to DANES". KUTZBACH said it was clear that CATIDE was the "giving" not the receiving service vis-a-vis the CIS and that there was no point in continuing. KUTZBACH said they would need our devices by the morning of 22 April because KASTELL and possibly he, were going to Denmark for a test run on the 23rd the day before the meeting.

(As far as we can now determine there are no UJRANDOM aspects to this case and we are at a loss to explain the story the drunken CATIDER gave to  $\Box$   $\Box$ .)

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DATE 2008

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